

From: [Shelly Carter](#)
To: [HHS Exhibits](#)
Subject: Rent Control bill SB 608
Date: Thursday, February 14, 2019 4:52:40 PM

As an owner of a property management company I can not stress enough the negative impact of SB 608. I have worked in States under rent control laws and if the author of this bill had done research they would clearly see the impact of implementing such a law. In fact, critics of such strict rent control, including most economists, argue it will stymie housing development, worsening the state's already severe housing shortage. The feedback from our owners is they will simply sell their properties if it becomes far less profitable to rent them.

This is further backed up by Rent Control Research stated below.,

Rent control policies are laws that cap rents and are usually implemented with the stated purpose of improving housing affordability. In fact, they may do just the opposite, according to an in-depth review of academic research on the issue conducted by Dr. Lisa Sturtevant.

Among the conclusions Dr. Sturtevant's review found are that:

- Rent control and rent stabilization laws lead to a reduction in the available supply of rental housing in a community;
- Rent control policies generally lead to higher rents in the uncontrolled market;
- Rent control and rent stabilization policies do a poor job at targeting benefits;
- Rent control can cause renters to continue to live in units that are too small, too large or not in the right locations to best meet their housing needs;
- There are significant fiscal costs associated with implementing a rent control program;
- Rent-controlled buildings can potentially suffer from deterioration or lack of investment; and,
- Rent control policies can hold rents of controlled units at lower levels but not under all circumstances.

Dr. Sturtevant's literature review examined research published from 1972 to 2017 and includes case studies of programs in single markets, such as New York, Boston, Los Angeles, San Francisco, Santa Monica and Washington, D.C., as well as studies that take a cross-sectional approach across markets. It synthesizes the empirical research on the effects of rent control and rent stabilization on individual renters and communities, building on prior evaluations of the rent control literature.

Rent control policies have been tried in a number of cities, first during World War II and later again in the 1960s and 1970s. Relatively few places have rent control today though and [most states have laws prohibiting the practice](#). Given the challenges in today's rental market, does rent control deserve a second look?

A scan of the research literature revealed very little evidence that rent control is a good policy. Arguments against rent control go back as far as the 1970s and the [RAND housing allowance experiments](#) in New York City. The [MIT study](#) of the 1995 repeal of rent control in Cambridge, Massachusetts, found that investment in housing increased after rent control ended, leading to "major gains in housing quality." A [National Bureau of Economic Research paper](#) also examined the Cambridge experience and concluded that "elimination of rent control added about \$1.8 billion to the value of Cambridge's housing stock between 1994 and 2004, equal to nearly a quarter of total Cambridge residential price appreciation in this period."

These findings have been used to argue for removal of rent control in New York and other places.

In a [comprehensive overview](#) of the research literature, Blair Jenkins examined studies of different aspects of first-generation rent control (strict price ceilings) and second-generation (limits on increases, also referred to as rent stabilization). The upshot is that, at best, rent control does little harm but probably not much good and, at worst, it has negative impacts on landlords and tenants. There is near universal agreement that strict price ceilings, such as the kind imposed in New York City in the 1940s, are always bad because they severely inhibit housing production and investment. Even those most sympathetic to rent control seem to agree with this.

The conclusion seems to be that rent stabilization doesn't do a good job of protecting its intended beneficiaries—poor or vulnerable renters—because the targeting of the benefits is very haphazard. A study of rent stabilization in Cambridge, for example, concluded that “the poor, the elderly, and families—the three major groups targeted for benefits of rent control—were no more likely to be found in controlled than uncontrolled units.” And, as noted earlier, those in uncontrolled units tend to pay higher rents, so they are actually hurt by rent control.

Given the current research, there seems to be little one can say in favor of rent control. What, then, should be done to help renters obtain affordable, decent housing? A better approach may be adopting policies that encourage the production of more diverse types of housing (different densities, tenure types, unit sizes, etc.), implementing strong regulations and practices to ensure housing quality and to protect tenants from abuses; and providing targeted, direct subsidies to people who need help paying their rents.

Alternative is to review what California is proposing:

[Proposition 10](#) is a California voter initiative that would repeal a 1995 law called the [Costa-Hawkins Rental Housing Act](#). The law prevents localities from enacting certain forms of rent control. Notably, it exempts single-family homes from rent control laws, along with apartments built after 1995. It also prevents something called vacancy control, allowing landlords to raise the rent without limit whenever a tenant under rent control moves out.

This may be a fair balance to the rent control argument, but does not address my largest concern of repealing of the No Cause Notice. This is a valuable tool used in our industry which can and will be catastrophic not only to management companies but the property owners. The financial impact alone will force owners to sell and further cause the shortage in rentals. I agree there needs to be a balance, but this isn't it!

There needs to be the foot work to find a fair and balanced policy and much like me not being able to walk in the footsteps of Senators or Congressman nor can they understand walking in the footsteps of Property Management and being a Landlord.

*Shelly L Carter
Senior Property Manager/Owner*

*697 Country Club Rd.
Eugene, OR 97401*

541-343-2183

The attached documents are Proprietary Documents belonging to Premier Property Management Services and are not to be Duplicated or Used in any manner by the recipient or another party

CONFIDENTIALITY STATEMENT

This e-mail message and any documents attached to it are intended only for the use of the addresses and may contain information that is privileged, confidential and prohibited from disclosure under applicable law. If you are not the recipient, you are hereby notified that any dissemination, disclosure, distribution or copying of this communication or any document attached hereto is strictly prohibited. If you have received this information in error, please e-mail this message and any documents back to the sender by replying to it and then immediately delete this message from your system. We appreciate your prompt cooperation.